



**DIVISION OF
FINANCIAL AND
ADMINISTRATIVE SERVICES**
**Special Education Finance
101**

**New Director's
Academy**

July 2012

Missouri Department
of Elementary and Secondary Education

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Topics

- ☐ Special Education Funding
- ☐ Special Education Payment Information
- ☐ Special Education Expenditure Coding
- ☐ Part B IDEA Funds
- ☐ Business Rules
- ☐ Electronic Planning Electronic Grants (ePeGS)
- ☐ Cooperatives
- ☐ Special Purpose Funds
- ☐ Local Tax Effort (LTE)
- ☐ Early Childhood Special Education (ECSE)
- ☐ Fiscal Monitoring



Handouts

1. New Director's PowerPoint Slides
2. Special Education Finance Due Dates
3. Part B Federal Expenditure Requirements Quick Guide
4. Maintenance of Effort (MOE) Worksheet
5. Payment Request Due Dates
6. Schoolwide Guidance
7. Cooperative/Consortium Fiscal Guidance
8. ECSE Cooperative Guidance
9. Local Tax Effort Guidance



Special Education Finance Web Page

<http://dese.mo.gov/divspeced/Finance/>

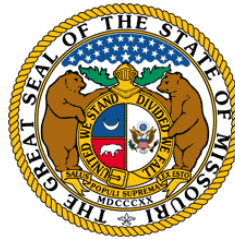


SELS Messages

- ❑ Special Education Listserve messages
- ❑ SELs2
 - ▣ Open to anyone wanting to subscribe
 - ▣ Subscribers receive the exact same messages as subscribers to SELs
 - ▣ Those interested in subscribing to SELs2 can do so by going to the following website:
http://dese.mo.gov/divspeced/sels2_subscribe.html



Special Education Funding



Funding Sources — Revenue Codes

Funds are assigned a Revenue Code to indicate the Fund Source:



Local: 51xx, 52xx, 58xx



State: 53xx



Federal: 54xx



Local Funding



Sources may include:

Description	Revenue Code
City Sales Tax	5117
Premium on Bonds Sold	5143
Proposition C	5113
Tuition from other LEAs Regular Term	5811
Gifts	5192



State Funding

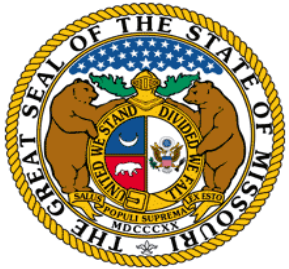


Sources may include:

Description	Revenue Code
Basic Formula – State Monies	5311
Transportation State Aid	5312
Early Childhood Special Education – State	5314
High Need Fund - State	5381
Public Placement Fund	5369



State Special Education Funding



\$149 million State Monies
included in Basic Formula.

District/LEA determines actual
amount needed for Special
Education.



State Special Education Funding



State Funding formula changed
in 2006-07 (FY07) which removed a separate
state categorical payment for Special Education

Change allows District/LEA to determine the
amount needed to run Special Education
program and meet Maintenance of Effort
(MOE) requirement.



Federal Funding



Sources may include:

Description	Revenue Code
IDEA Part B (611) Entitlement	5441
IDEA Grants (NOT Entitlement): Competitive Improvement, SWIS, SET, High Need Fund, etc	5437
Non-IDEA Special Education Grants	5438
Early Childhood Special Education – Federal	5442
Medicaid	5412



Special Education Payment Information

Tracking Payments From DESE



DESE Monthly Payment Transmittals

Revenue Code	Revenue Name	CFDA Number	Organization Making Payment	Monthly Payment	Payment to Date
5311	Basic Formula - State Monies		Admn & Fin-Administrative Svcs	\$3,020,241	\$34,754,671
5314	ECSE - Prior Year		IDEA	\$479,909	\$1,704,955
5381	Sp Ed High Need Fund-State		IDEA	\$144,366	\$144,366
5441	Special Education Part B Entitlement	84027A	IDEA	\$792,000	\$3,389,918
5442	ECSE – Current Year	84027A	IDEA	\$284,917	\$423,567
5437	Special Education Sec. Trans	84027A	IDEA	\$28,825	\$28,825

Finding Payment Transmittals

1. Go to DESE Web Applications
2. Click on Public Applications
3. Click on School Finance Menu
4. Click on Payment Transmittals
5. Enter County District Code
6. Select District/LEA
7. Select Year
8. Select Month



DESE Audit Confirmation

Project or Grant	Revenue Code	CFDA Number	Amount	Totals
Basic Formula - State Monies	5311		\$3,020,241	\$3,020,241
ECSE - Current Year			\$479,909	\$479,909
Special Education Part B Entitlement	5381		\$144,366	\$144,366
Special Education Part B Entitlement	5441	84027A	\$792,000	\$792,000
ECSE – Current Year	5442	84027A	\$284,917	\$284,917
Special Education Part B IDEA – ARRA	5493	84391A	\$28,825	\$28,825

Finding Audit Confirmations

1. Go to DESE Web Applications
2. Click on Public Applications
3. Click on School Finance Menu
4. Click on Reports
5. Enter County District Code
6. Select District/LEA
7. Select Year
8. Select Month of June
9. Click on Audit Confirmation Report



Special Education Expenditure Coding

INFORMATION FOR YOUR BOOKKEEPER

Missouri Financial Accounting Manual

http://dese.mo.gov/divadm/finance/acct_manual/CompleteAccountingManual.html



Expenditure Function Codes

The Function Code describes the function, purpose or program for which activities are performed to accomplish the objectives of the school district.



Expenditure Function Codes

- ❑ Function codes are based on either:
 - ▣ Uses of the revenues providing for services, or
 - ▣ Statutory or administrative rule requirements for usage.
- ❑ **No revenue code has its own corresponding, separate, specific function/program code.**
- ❑ If revenues are used to directly affect classroom instruction, then function/program codes will be in the 1000 series.
- ❑ If revenues are used to indirectly affect classroom instruction, then function/program codes will be in the 2000 series



2012-13 Function Codes

Description	Function Code
Special Education and Related Services	1221
Coordinated Early Intervening Services	1223
Proportionate Share Services	1224
Tuition, Severely Disabled Program Within the State	1931
Professional Development	2200
Transportation and Maintenance	2500
Facility Acquisition and Construction	4000
ECSE Transportation (MOE only*)	2559
All other ECSE Services (MOE only*)	1280

* All ECSE State Revenue should be reported on MOE under 2559 & 1280



Special Education Function Codes

1221 – Special Education and Related Services

Instruction specially designed to meet the unique needs of a child with a disability and other such developmental, corrective and supportive services as required by the child's Individualized Education Program (IEP) through the Individuals with Disabilities Education Act (IDEA). (Includes Homebound Instruction for students with IEP's.)



Special Education Function Codes

1223 – Coordinated Early Intervening Services (CEIS)

Programs supported with IDEA funds for students in grades K-12 who need additional academic support to succeed in their general education environment, but who have not been identified as needing special education services.



Special Education Function Codes

1224 – Proportionate Share Services

Programs and services supported with IDEA funds for home schooled and parentally-placed private/parochial school students with disabilities. This code may **only** be used to record those expenditures made to meet the requirements of 34 CFR 300.132-300.144 and Appendix B to Part 300 for the above stated services.



Special Education Function Codes

1931 – Tuition, Severely Disabled Program Within the State

Tuition paid to state institutions approved by the Department's Office of Special Education. For ePeGs purposes, tuition paid to out of state institutions or private institutions outside of the state approved by the Department's Office of Special Education will also be included under 1931.



Expenditure Object Codes

The object code identifies the service or commodity obtained and is based on how a particular expenditure is paid out or planned to be paid out.



Object Codes

Description	Object Code
Certificated Salaries	6100
Non-Certificated Salaries	6150
Employee Benefits	6200
Purchased Services	6300
Materials and Supplies	6400
Capital Outlay (including equipment)	6500



Separate Tracking



All federal funds MUST be tracked separately from other funding sources.

☐ **EDGAR 74.21(2)**

- Records that identify adequately the source and application of funds for federally-sponsored activities.

☐ **EDGAR 75.702**

- A grantee shall use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for Federal funds.

☐ **MO Financial Accounting Manual**

- Federal funds generally require separate identification and reporting within the LEA's audit report.



Tracking Expenditures

Special Education Expenditures tracked for various reporting purposes:

- ☐ Annual Secretary of the Board Report (ASBR)
- ☐ Part B Payment Requests
- ☐ Part B Final Expenditure Report
- ☐ State Funds used for Special Education (MOE reporting)
- ☐ Local Funds used for Special Education (MOE reporting)
- ☐ ECSE Expenditures



Expenditure Source

QUESTION:

How can a District/LEA track State, Federal, and Local expenditures?

ANSWER:

Use Source/Project Codes for each expenditure.



Source/Project Codes

Defined in DESE MO Financial Accounting Manual:

- ☐ Pre-Set Codes; or
- ☐ District/LEA may use own code

Codes used for:

- ☐ Tracking expenditure fund sources
- ☐ As a project identifier

Helpful in separate tracking of expenditures:

- ☐ Special Education Maintenance of Effort (State/Local)
- ☐ Special Education IDEA Part B Expenditures (Federal)



Source/Project Codes

Examples:

41 – Federal IDEA Part B Entitlement Funds

42 – Federal Competitive Improvement Grant

10 – State Special Education Funding

01 – Local Funding Sources



Source/Project Code Examples

Special Education Teacher Example:

Function Code	Object Code	Source of Funds/ Project Code
1221-	6100-	41
(Special Education)-	(Certificated Salaries)-	(Federal Entitlement)

Special Education Contracted Transportation Example:

Function Code	Object Code	Source of Funds/ Project Code
2500-	6300-	10
(Special Education)-	(Contracted Transportation)-	(State)

Proportionate Share Speech Language Therapist Example:

Function Code	Object Code	Source of Funds/ Project Code
1224-	6100-	41
(Proportionate Share)-	(Certificated Salaries)-	(Federal Entitlement)

Part B IDEA Funds



Federal Part B IDEA Funds



IDEA Part B Entitlement funds (Section 611) are Federal funds your District/LEA receives to help support your special education program and implement IDEA.

2012-13 \$180 million Part B



Federal IDEA Part B Funds Formula

Three separate components in formula:

1. **Base Amount;**
2. **Population Count**
 - September Enrollment
 - Home School
 - Non-Public
 - Neglected/Delinquent
3. **Poverty Count**
 - Free/Reduced Lunch Count



Possible Impacts to FY13 Funding

Continuing Appropriations Act 2012

- ❑ Made across the board cuts of 0.189% to U.S. Dept. of Education advance-funded grants.
- ❑ The MO DESE was able to use old administrative funds to offset this reduction last year so LEAs did not have reductions to their allocations in FY12.
- ❑ This Act could be passed in 2013 as well, but the MO DESE does not know if any funds will be available to offset potential reductions; therefore, LEAs should plan for a cut mid-year in FY13.



Possible Impacts to FY13 Funding

Sequestration

- ❑ The failure of the Joint Select Committee on Deficit Reduction (Super Committee) to produce a bill identifying budgetary savings of at least \$1.2 trillion over ten years has triggered an automatic spending reduction process (called sequestration) that takes effect on January 2, 2013.

- ❑ Sequestration Webpage:

<http://www.dese.mo.gov/fas/Sequestration.html>



Possible Impacts to FY13 Funding

Sequestration Process under the Budget Control Act

- ❑ Makes across the board cuts of up to 9.1% on all discretionary grants each year over the next 9 years.
- ❑ Not much guidance/information available. This is scheduled to go into effect January 2013, but it will not impact FY13 funding. Impact will begin with FY14 funding.
- ❑ May cause a revision in allocations mid-stream of fiscal year.
- ❑ Possible moratorium will be placed by Congress on this act to prevent reductions.

Please note: Even if allocations are reduced, LEAs are still required to maintain local effort (MOE).



Permissive Use of Part B Funds

- ☐ Costs of Special Education and Related Services
- ☐ Supplementary Aids and Services
- ☐ Administrative Case Management
- ☐ Coordinated Early Intervening Services (CEIS)
- ☐ Special Education buses (prior approval)
- ☐ Construction/Renovation of Special Education facilities (prior approval)



Part B IDEA Requirements

- ☐ **Assurances**
- ☐ **Excess Cost Requirement**
- ☐ **Inventory Control**
- ☐ **Capital Costs**
- ☐ **Prorating Expenditures**
- ☐ **Maintenance of Effort**
- ☐ **Supplement – NOT Supplant**
- ☐ **Proportionate Share**
- ☐ **OMB Circular A-87 Certifications/Time and Effort Logs**
- ☐ **CEIS required if LEA has a determination of significant disproportionality**

See Handout #3-Part B Federal Expenditure Requirements Quick Guide



Assurances (34 CFR §300.200)

- ❑ Districts/LEAs providing services to students with disabilities must submit annual assurances to the Department regarding their compliance with the applicable federal and state statutes and regulations.
- ❑ Assurances are agreed to in ePeGs reporting system through the Core Assurances and Grant Specific Assurances.



Excess Cost (34 CFR §300.202)

- ❑ Federal funds may only be used to pay excess cost of providing special education and related services to children with disabilities.
- ❑ District/LEA must spend at least the minimum average amount for the education of its children with disabilities before Part B funds are used.
- ❑ Districts must document that children receiving special education services cost more than those in regular education.
- ❑ The Department will calculate the Excess Cost each year. If LEA/District does not meet Excess Cost, the Department will contact the LEA/District.



Inventory Control (EDGAR 80.32)

All capital outlay purchased with federal monies costing \$1000 (\$5000 according to EDGAR but MO has a lower threshold) or more per unit/set is subject to inventory management and control requirements:

- ❑ Items shall be physically marked by source of funding and acquisition date.
- ❑ Adequate safeguards must be in effect to prevent loss, damage, or theft of the property.
- ❑ A physical inventory of items must be taken and the results reconciled with the inventory records at least once every two years.
- ❑ Inventory must be current and available for review and audit.



Inventory Control (EDGAR 80.32)

The following must be included in inventory records to be in compliance:

- ☐ description of the property
- ☐ manufacturer's serial number or other identification number
- ☐ identification of the funding source used to purchase property
- ☐ acquisition date and unit cost
- ☐ source of property (vendor name)
- ☐ percentage of federal funds used for purchase
- ☐ present location, use, condition of the property, and date the information was reported
- ☐ items purged, transferred or replaced must have pertinent
- ☐ information recorded regarding the disposition of the equipment



Capital Costs (Federal Funds)

(34 CFR §300.718)

Prior Approval is required:

- ☐ Alteration / Renovation: changing an existing LEA-owned structure
- ☐ Construction - building a new structure
- ☐ Real Estate - purchasing a structure or land
- ☐ Buses/Vehicles

The Part B Capital Outlay Purchase Approval Form is located at:
<http://dese.mo.gov/divspeced/Finance/partbentitlement.html>



Prorating Expenditures

IDEA requires all expenditures with IDEA funds to be directed 100% toward Special Education; otherwise the cost should be prorated, unless the benefit to non-special education students is incidental and justifiable.



Prorating Expenditures - Examples

Justifiable incidental benefit to non-special education students:

- ❑ A district/LEA bought a 12 passenger small bus for 9 students with disabilities. The bus picks up two additional non-disabled students on the same route that are siblings of the students with disabilities. This is a justifiable incidental benefit because that bus had to make those stops anyway for the students with disabilities, and no additional stops were needed. This would be a purchase that could be paid 100% with Part B IDEA funds.

Unjustifiable incidental benefit to non-special education students:

- ❑ A district/LEA bought a 54 passenger bus with wheel chair capabilities for 3 students with disabilities in wheelchairs. There are 50 non-disabled students on the same route. While this purchase may benefit the disabled students, the bus had to make multiple extra stops that weren't necessary for the students with disabilities. The benefit to non-disabled students is more than incidental, and therefore the cost must be prorated.



Maintenance Of Effort (MOE)

(34 CFR §300.203)

Funds provided to a District/LEA under Part B must not be used to reduce the level of expenditures for the education of children with disabilities made by the District/LEA from local funds below the level of those expenditures for the preceding fiscal year.



Maintenance of Effort (MOE)

District/LEA is required to spend the same amount in total or per capita (child) basis for students with disabilities as it spent from those same sources in the prior year of either:

☐ Local Funds only



OR

☐ Combination: State and Local Funds



Calculating MOE

Include ONLY special education expenditures paid from
non-federal sources

Do Not Include Expenditures Paid With:

- ☐ Federal Part B
- ☐ Federal ECSE
- ☐ Medicaid
- ☐ Federal High Need Fund
- ☐ Federal Grants

See Handout #4-Maintenance of Effort Worksheet



Calculating MOE

The District/LEA should NOT use the “back-out” method to determine MOE.

The “back-out” method is deducting federal revenues from total special education expenditures to determine MOE.



Calculating MOE – State & Local

1. Code all Special Education expenditures to a special education function code
2. Determine what Special Education expenditures will be paid with federal, state, and local funds
3. Tag all **federal** special education expenditures with a project/source code to identify it as a **federal** special education expenditure
4. Anything remaining that is not tagged with a project/source code will be the MOE amount



Calculating MOE – Local Only

1. Code all Special Education expenditures to a special education function code
2. Determine what Special Education expenditures will be paid with federal, state, and local funds
3. Tag all **federal** special education expenditures with a project/source code to identify it as a **federal** special education expenditure
4. Tag all **state** special education expenditures with a project/source code to identify it as a **state** special education expenditure
5. Anything remaining that is not tagged with a federal or state project/source code will be the MOE amount



MOE Calculation Assistance

Special Education Only Expenditures	CURRENT YEAR			BUDGETED NEXT YEAR		
	EXPENDITURES PAID FROM FEDERAL FUNDS	EXPENDITURES PAID FROM LOCAL FUNDS	EXPENDITURES PAID FROM STATE FUNDS	EXPENDITURES PAID FROM FEDERAL FUNDS	EXPENDITURES PAID FROM LOCAL FUNDS	EXPENDITURES PAID FROM STATE FUNDS
	DO NOT include amounts in MOE!	Include Amounts in MOE if applicable (see instructions)	Include Amounts in MOE if applicable (see instructions)	DO NOT include amounts in MOE!	Include Amounts in MOE if applicable (see instructions)	Include Amounts in MOE if applicable (see instructions)
Capital Costs (renovation, construction, real estate, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Clerical Staff	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coordinated Early Intervening Services (CEIS)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contractual Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Coop Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ECSE Reimbursement	\$ -	n/a	\$ -	\$ -	n/a	\$ -
Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Extended School Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Guidance Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Health Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Occupational Therapist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operation of Plant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Paraprofessionals/Teacher Aides	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Physical Therapist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proportionate Share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Psychology Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education Administrator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education Process Coordinator	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Speech/Language Pathologist	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Substitutes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation (Pupil)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Travel (Employee)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition, Severely Handicapped	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition to another district	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Maintenance of Effort Options:

1. Total "Local Funds Only" method. The LEA must be able to separate out Local and State Special Education Expenditures in their accounting system to be able to use this method. Use the "Total Local Funds" column if claiming this method.
2. Per Child "Local Funds Only" method. Formula: Total Local Only funds divided by the December 1 child count = Per child rate. DESE compares the "rates" to be sure MOE has been maintained. This method is useful when the LEA has a drop in December 1 child count.
3. Total "Local and State Funds" method. If you are not able to separate "Local and State", enter the total in the State Column. Otherwise, add together the Local and State Totals for MOE if claiming this method.
4. Per Child "Local and State Funds" method. Formula: Total Local and State funds divided by the December 1 child count = Per Child Rate. DESE compares the "rates" to be sure MOE has been maintained.

MOE Reporting

The District/LEA reports MOE in the Part B Final Expenditure Report (FER).



MOE Example 1—Total Expenditures

Meeting MOE using TOTAL Special Education expenditures

(Local only or Combination State/Local):

Example:

2010-11: \$50,000

2011-12: \$40,000 (Less than 2010-11—Must explain)

2012-13: \$50,000 (Greater than 2011-12—MOE okay)

Current year expenditures may only be less than prior year if allowable exceptions or adjustment can be claimed.



MOE Example 2—Per Child Basis

Formula:

Total MOE / Dec. 1 Count = Per Child Amount

Example:

2010-11 \$50,000 / 14 Child Count = \$3,571

2011-12 \$40,000 / 9 Child Count = \$4,444 (\geq \$3,571)

2012-13 \$39,000 / 8 Child Count = \$4,875 (\geq \$4,444)



MOE Budgeted vs. MOE Actual

2011-12 Budgeted MOE reported in the 2010-11 FER

- ❑ Must Budget an amount \geq 2010-11 MOE
- ❑ No upfront approval on projected 2011-12 Exceptions or MOE Adjustment

2011-12 Actual MOE reported in the 2011-12 FER

- ❑ Applicable Exceptions or Adjustment taken



MOE Exceptions

- ❑ Voluntary Departure of Special Education Staff
- ❑ Decrease in Enrollment of Children with Disabilities
- ❑ Termination of a Costly Obligation for a Specific Child
- ❑ Assumption of the Cost by the High Need Fund
- ❑ Termination of a Costly Long-Term Purchase

These are the ONLY allowable exceptions to MOE



MOE Adjustment

IDEA allows the District/LEA to reduce MOE threshold when allocations increase from one year to next.

This reduction assists District/LEA in spending increase in federal funds.



MOE Adjustment

MOE Adjustment is calculated by taking 50% of the increase in allocation from prior year to current year Part B allocation.

Example:

Prior Year's Allocation:	\$900,000
Current Year's Allocation:	\$1,000,000
Increase:	\$100,000
Max Available for MOE reduction:	\$50,000



MOE Adjustment Facts

- ❑ The MOE Adjustment DOES NOT decrease Part B Allocation but instead the amount of Local/State Funds that must be spent on students with disabilities (MOE)
- ❑ You DO NOT have to budget or expend the full amount of Part B funds to take advantage of the Adjustment
- ❑ MOE Adjustment must be taken in the year of the increase
- ❑ MOE Adjustment resets the MOE for MOE Adjustment year and future years until District/LEA voluntarily increases



What If MOE is Not Met?

District/LEA must pay DESE back the amount of MOE not met from either **LOCAL** or **STATE** funds. The MOE is **NOT** re-set to the lower amount; it is maintained at the amount from the previous year.

Example:

FY10 : \$150,000

FY11: \$140,000 (MOE NOT MET – LEA is required to pay DESE \$10,000 from Local or State funds)

FY12: MOE amount the LEA must meet is \$150,000



Supplement Not Supplant (34 CFR §300.202)

Federal Part B Funds may only be used to supplement state, local or other non-federal funds spent on students with disabilities.

MOE MET =
MET NON SUPPLANT REQUIREMENT



Proportionate Share

(34 CFR §300.130-148)

- ❑ Each District shall reserve and spend a proportionate amount of its Part B funds to provide special education services to on parentally-placed private school children with disabilities ages 5-21 who have been evaluated and determined eligible by the district.
- ❑ District where a private school is located is responsible.
- ❑ Districts are also responsible to provide services to home-schooled students with disabilities.



Child Find Requirement

- ❑ Each district must locate, identify and evaluate all children with disabilities who are enrolled by their parents in private, parochial, and home schools located in the district boundaries.
- ❑ Costs for child find and evaluations cannot be deducted from the amount of funds that must be expended on providing special education services for these students. This means districts cannot use their Proportionate Share funds to pay for these costs.



Are Children Attending “For-Profit” Private Schools Counted?

No. Children attending for-profit private schools would not be included in the proportionate share calculation or be eligible for equitable services.

However, under 34 CFR §300.111, children with disabilities attending private schools, who are in need of special education and related services, should be identified, located, and evaluated even if they attend for-profit schools.



What if Eligible Private School Student Count is Zero?

The Part B Entitlement Proportionate Share obligation amount is zero for the next school year even if you receive transfer students or identify new students through evaluations after the eligible count is taken.

Example:

- 2011-2012 Eligible Private School Children count between Oct. 1 and Dec. 1 2011 = 0
- 2012-2013 Proportionate Share Obligation = \$0



May the District Spend More?

- ❑ PART B FUNDS: Yes, as long as the district meets all the other requirements of the Act, including providing a Free Appropriate Public Education (FAPE) to children with disabilities.
- ❑ STATE/LOCAL: Yes, but only to supplement, and not supplant, the proportionate share of Federal funds required. This means that the district must spend ALL federal proportionate share funds prior to utilizing state and local funds.



When Must the Funds be Expended?

- ❑ The funds must be reserved and expended over a maximum two year period.
- ❑ Any funds NOT expended in the first year must be obligated during a carryover period of one additional year.



Budgeting Proportionate Share Funds

Once the prior year's FER has been approved, the district will need to revise the current year's Budget Application to include any current year obligation of proportionate share and carryover amount under function code 1224.



Tracking Prop Share Expenditures

- ❑ Carryover funds must be expended first before any of the current year calculation is expended (First in First Out).
- ❑ Staff providing services should have their salaries/benefits prorated and coded separately in the general ledger to account for the expenditure.
- ❑ Staff providing services should not be included in SDAC cost pool for the portion of the time they are coded as Proportionate Share.
- ❑ Detail of expenditures must be available for monitoring purposes.



Proportionate Share Carryover Funds

If the district cannot completely spend the carryover funds during the second year having met all requirements in 34 CFR §300.130-148, the district should request a release of the unspent funds.



Allowable Reasons for Unexpended Funds

- ☐ Student(s) no longer attends private school/home school within district boundaries
- ☐ Student(s) aged-out/graduated from private school/home school
- ☐ Private school(s) refused services
- ☐ Parents refused services
- ☐ More Part B Proportionate Share obligation than what was needed for services



Releasing Unexpended Carryover Funds

- ❑ If the current year estimated expenditures for proportionate share are less than the carryover amount, the district may request a release of the unexpended funds.
- ❑ If the current year estimated expenditures for proportionate share are equal to or greater than the carryover amount, the district may NOT request a release of any carryover funds.



Example

Example 1: Released Funds

Carryover Amount (from previous year)	\$50,000
Current Year Obligation (from current year)	\$70,000
Total Available for Proportionate Share	\$120,000
Estimated Expenditures for Current Year	\$40,000
Amount Available for Release	\$10,000



Example

Example 2: NO Released Funds

Carryover Amount (from previous year)	\$50,000
Current Year Obligation (from current year)	\$70,000
Total Available for Proportionate Share	\$120,000
Estimated Expenditures for Current Year	\$60,000
Amount Available for Release	\$0



Releasing Unexpended Carryover Funds

- ❑ The district must complete and submit a Proportionate Share Carryover Release Form found at:
<http://dese.mo.gov/divspeced/Finance/ps.html>.

Form requirements:

- ▣ Total number of eligible proportionate share students currently serving
- ▣ Rationale for unexpended funds
- ▣ Certification (Superintendent's signature)
- ▣ Due March 1



Released Carryover Funds

- ❑ Released proportionate share carryover funds should be spent on public students with disabilities within the district.
- ❑ The district will need to revise the current year's Part B Budget Application to re-budget the anticipated amount of released funds into any function code other than 1224.
- ❑ Budget amendments must be completed by April 30.



Additional Information

- ❑ The district must calculate the proportionate share of IDEA funds before earmarking funds for any Coordinated Early Intervening Services.
- ❑ Proportionate Share calculation should not result in a “per private school entitlement amount” but is instead the amount of a district’s Part B funds that must be spent on all private schools located in the district’s jurisdiction.
- ❑ A portion of the district’s Part B Entitlement Allocation is based on the count of all Non-Public and Home Schooled Students in the district.



Office of Management and Budget (OMB) Circular A-87

Federal Requirements

- ❑ Records Retention
 - 3 years past end of grant
- ❑ Allowable Costs
 - Must be necessary and reasonable
- ❑ Indirect Costs
 - Costs incurred for a common or joint purpose benefiting more than one cost objective, and
 - Not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved



OMB Circular A-87

❑ Federal Award Certifications

- Employees paid with Part B funds who work on a single cost objective must sign certifications to indicate that they worked solely on that program for the period covered by the certification.
 - Must be completed and signed at least semi-annually after the work has been performed
(OMB) Circular A-87, Part 225 Appendix B.8.h(3))
- Employees working on multiple activities or cost objectives must maintain time and effort logs to determine the amount allocable to Part B.
 - Must be prepared at least monthly after the work has been performed and must coincide with one or more pay periods
(OMB) Circular A-87, Part 225 Appendix B.8.h(4 & 5)



What is time and effort reporting?

- ❑ Must demonstrate = If employee is paid with federal funds, then employee worked on that specific grant program
- ❑ Establishes in an audit that allowable costs were maintained



Who must complete?

- ☐ ALL employees funded with federal dollars
- ☐ Required when any portion of an employee's salary is charged to a federal grant
- ☐ Not contractors or vendors



Types of Reporting

❑ Semi annual certification

▣ Who?

- Kept for employees with a “single cost objective”

▣ Why?

- To indicate they worked solely on that program for the period covered by the certification

▣ When?

- Completed at least every six months after the work has been performed

(OMB) Circular A-87, Part 225 Appendix B.8.h(3))



Types of Reporting

□ Personnel Activity Reports (PARs)

▣ Who?

- Kept for employees with “multiple cost objectives”

▣ Why?

- To determine the amount of time spent on duties allocable to Part B funding

▣ When?

- Completed at least monthly after the work has been performed and must coincide with one or more pay periods

(OMB) Circular A-87, Part 225 Appendix B.8.h(4 & 5)



Types of Cost Objectives

“Cost Objective” means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred. – OMB Circular A-87

- ❑ Single cost objective

- ▣ Employee works solely on a single program
 - Special Education

- ❑ Multiple cost objective

- ▣ Employee works on different programs
 - Special Education and Regular Education



Semi-Annual Certification

- ❑ Must include:
 - ▣ Employer's Name
 - ▣ Employee's Name
 - ▣ Employee's Position
 - ▣ Federal Program Title (CFDA # (found on Monthly Payment Transmittal))
 - ▣ Reporting Period
 - ▣ Employee OR Supervisor's signature
 - ▣ Date



Sample of Semi-Annual Cert

CERTIFICATION OF PAY

OMB Circular A-87, states “where employees are expected to work solely on a single Federal award... their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.”

I _____ certify that 100% of my time has been spent performing duties
(Name and Title)

associated with _____ for the period of _____.
(Federal Program)

Employee Signature _____

Date _____

Supervisor Signature _____

Date _____

Personnel Activity Report (PAR)

- ❑ The PAR is designed to track which cost objectives the individual works on, NOT the source of the funding.
- ❑ The total activity of the employee must be accounted for on the PAR.
- ❑ The PAR must reflect actual work performed (not budgeted).



Personnel Activity Report (PAR)

☐ Must include:

- ☐ Employer's Name
- ☐ Employee's Name
- ☐ Employee's Position
- ☐ Federal Program Title (CFDA #)
- ☐ Reporting Period
- ☐ Break-out of the employee's work schedule
- ☐ Employee's signature
- ☐ Date



Sample of PAR

[illegible]

Time Reporting Example

Single Funding Source / Single Cost Objective

❑ A teacher providing only special education services
100% of the day is charged 100% to the Part B
grant

- ▣ Funding Source: IDEA Part B Only
- ▣ Cost Objective: Special Education Only
- ▣ Reporting Type: Semi-Annual Certification



Time Reporting Example

Multiple Funding Source / Single Cost Objective

- ❑ A K-12 teacher providing only special education services 100% of the day is funded with Part B funds and state/local special education funds

- Funding Source: IDEA Part B, Local & State
- Cost Objective: Special Education Only
- Reporting Type: Semi-Annual Certification



Time Reporting Example

Multiple Funding Source / Single Cost Objective

- ❑ An ECSE teacher spends 100% of time providing ECSE services and is funded with Part B funds (611 & 619) and state/local special education funds
 - ▣ Funding Source: IDEA Part B, Local & State
 - ▣ Cost Objective: ECSE Only
 - ▣ Reporting Type: Semi-Annual Certification



Time Reporting Example

Single Funding Source / Multiple Cost Objective

- ❑ A school psychologist funded with Part B funds works 50% of the day with special education students and 50% of the day providing coordinated early intervening services (CEIS) to students without IEPs

- Funding Source: IDEA Part B Only
- Cost Objective: Special Education & CEIS
- Reporting Type: Personnel Activity Report



Time Reporting Example

Multiple Funding Source / Multiple Cost Objective

- ❑ A teacher is providing special education services to students with IEPs 60% of the day (funded with Part B funds) and bilingual instruction to English Language Learners 40% of the time (funded with local funds)
 - Funding Source: IDEA Part B & Local
 - Cost Objective: Special Education & ELL
 - Reporting Type: Personnel Activity Report



Reconciling

- ❑ At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly personnel activity reports should be made.
- ❑ District must adjust the amount of salaries charged to the Federal award quarterly if variance between budgeted and actual costs is at least 10%. Otherwise, the adjustment can be made at the end of the year.



Coordinated Early Intervening Services (CEIS) (34 CFR §300.226)

District/LEA may use up to 15% of their Part B 611 Allocation to assist students in Kindergarten through Grade 12 not yet identified as needing special education services but need additional academic and behavioral supports to succeed in the general education environment.

Federal regulations recommend particular emphasis on students in Kindergarten through 3rd grade.

CEIS Website:

<http://dese.mo.gov/divspced/Finance/EarlyInterveningServices.htm>



CEIS – Significant Disproportionality (34 CFR §300.646)

If significant disproportionality is determined, the District/LEA **must** reserve the maximum amount (15%) for CEIS to provide comprehensive CEIS to serve children in the District/LEA, particularly, but not exclusively to children in those groups that were significantly over identified.



CEIS

Funding may be used for:

- ❑ Professional development for teachers and other staff to deliver academic instruction and behavioral interventions
- ❑ Direct interventions (educational and behavioral evaluations, services, and supports)
- ❑ Activities aligned with Elementary and Secondary Education Act (ESEA) funded activities; however they must be used to supplement and not supplant funds made available under the ESEA

Examples:

- ❑ Reading or math specialists to work with non-disabled students who have not reached grade-level proficiency in those subjects
- ❑ After-school tutoring for non-disabled students who score below “basic” on statewide assessments



CEIS Reporting

Districts using IDEA Part B funds for CEIS must submit expenditure and student data information to DESE through:

1. ePeGS Part B FER
2. CEIS Reporting Verification Sheet (RVS)

Both the Part B FER and the RVS are due Sept. 30 each year.



Part B IDEA Requirements

- ❑ More information regarding Part B IDEA Requirements can be found under Part B Fiscal Guidance at:

<http://dese.mo.gov/divspeced/Finance/partbentitlement.html>

- ❑ Part B Federal Expenditure Requirements – “Cheat Sheet”
- ❑ Part B Federal Expenditure Requirements PowerPoint



Cross Divisional Business Rules

Effective July 1, 2011



Business Rules – All DESE Offices

- ❑ Budget Application – Due July 1 (no back-dating)
- ❑ Budget Amendments will not be allowed after April 30th without DESE approval
- ❑ Fewer Function Codes (will have descriptors)
- ❑ Final Expenditure Report (FER) – Due September 30 (no amendments)
- ❑ Once FER is created the rest of the system will shut down (no payment requests or budget amendments for that school year)
- ❑ If the FER is not submitted by the due date, LEA can't access their current year funds until submitted



Business Rules – continued

- ❑ Payment Requests – Due 11:59 pm on 1st of the month (indicate expenditures to date on payment requests)
- ❑ Payment requests through June, July, Aug, and Sept (payment transmittals will indicate current year since budget cycles will overlap)
- ❑ Overpayments/CMIA – districts must return and calculate interest on all overpayments
- ❑ No book transfers on overpayments (trans ins/trans outs)
- ❑ Revenue and Function Code Changes (see Accounting Manual)



ePeGS System — IDEA Part B

ePeGs Training Guide Series

<http://dese.mo.gov/divspced/Finance/partbentitlement.html>



Part B Funding Application

Part B is completed in the DESE
Web Applications under:

Electronic Planning Electronic
Grants System (ePeGS)



Part B Applications/Payment Requests/FERs



▼ User Applications

▼ Administrative and Financial Services

- ▶ Annual Report of the County Clerk to the State Board of Education
- ▶ Annual Secretary of the Board Report - Charter
- ▶ Annual Secretary of the Board Report - District
- ▶ DESE Payment Management
- ▶ School Finance Menu

▼ Cross-Divisional Systems

- ▶ ARRA
- ▶ ePeGS

▼ Office of Educator Quality

- ▶ Licensure

▼ School Improvement

- ▶ Data Collection
- ▶ MSIP District Response to the Standards

▼ Special Education

- ▶ Early Childhood
- ▶ Part B Application

▼ User Information

- ▶ User Manager
- ▶ Change Password
- ▶ Edit User Profile
- ▶ Edit Security Question/Answer

▼ Report

- ▶ Report Menu
- ▶ Logon/Logoff



ePeGS Part B Components

- ☐ Assurances
- ☐ Part B Entitlement Budget Application
- ☐ Payment Requests
- ☐ Part B Final Expenditure Report



Core and Grant Specific Assurances

The District/LEA must complete the assurances indicating Federal Part B funds will be spent appropriately.



IDEA Part B Budget Application



Part B Entitlement Application

2012-13 Budget Application was due
July 1, 2012.

- ❑ The budget application indicates the amount of federal Part B (611) funds the District/LEA is obligating.
- ❑ Budget applications will be substantially approved as of the submission date; therefore, IDEA Part B funds shall not be obligated until the application has been submitted.



Period of Availability of Funds

“Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.”

EDGAR §80.23



Grant Cycle vs. Obligation Period vs. FER Reporting Period

Grant Cycle	Obligation Period	FER Reporting Period
July 1 – June 30	Date of Substantially Approved Application – June 30	July 1 – September 30
Period during which funds may be obligated and expended.	Obligations occur during the grant cycle, but <u>only after a substantially approved budget application has been submitted.</u>	Expenditures for obligations made <u>during the obligation period</u> may be reported up until September 30.

Obligating Funds

- ❑ **Obligate means to reserve, commit, or set-aside funds for a specific activity or project.**
 - ▣ Obligations must occur during their applicable grant cycles. A grant cycle runs with the fiscal year, July 1 – June 30.
 - ▣ IDEA Part B funds shall not be obligated until the Part B budget application has been submitted (considered substantially approved). Budget Applications will not be back-dated.
 - ▣ Obligations must be made prior to expenditures.



When is an Obligation Made?

IF THE OBLIGATION IS FOR--	THEN THE OBLIGATION IS MADE--
Acquisition of real or personal property	On the date the school district makes a binding written commitment to acquire the property
Rental of real or personal property	When the school district uses the property
Personal services by an employee of the school district	When the services are performed
Personal services by a contractor who is not an employee of the school district	On the date the school district makes a binding written commitment to obtain the services
Performance of work other than personal services	On the date the school district makes a binding written commitment to obtain the work
Public utility services	When the school district receives the services
Travel	When the travel is taken

EDGAR §76.707



Requesting Part B Entitlement Funds



When Can LEAs Expend Funds?

- ❑ For any obligations made from substantial approval date of the Part B budget application to June 30th of that fiscal year, LEAs can expend funds to September 30th.
- ❑ Example:

Ordered curriculum May 2, 2012, but curriculum was on backorder and invoice did not arrive until July 16, 2012. LEA can expend the funds in July since the obligation was made during the obligation period of the grant cycle and the LEA can process payments to September 30th.



Part B Payment Requests

SCHOOL PAYMENT MONTH	EXPENDITURE PERIOD END DATE*	MAXIMUM PERCENTAGE OF APPROVED BUDGET	PAYMENT REQUEST DUE DATE
July	July 25, 2012	50%	July 1, 2012
August	August 24, 2012	50%	August 1, 2012
September	September 26, 2012	50%	September 1, 2012
October	October 25, 2012	75%	October 1, 2012
November	November 26, 2012	75%	November 1, 2012
December	December 26, 2012	75%	December 1, 2012
January	January 25, 2013	75%	January 1, 2013
February	February 26, 2013	TBD	February 1, 2013
March	March 26, 2013	TBD	March 1, 2013
April	April 25, 2013	TBD	April 1, 2013
May	May 24, 2013	TBD	May 1, 2013
June	June 26, 2013	TBD	June 1, 2013
July	July 25, 2013	TBD	July 1, 2013
August	August 23, 2013	TBD	August 1, 2013
September	September 25, 2013	TBD	September 1, 2013
FER Approval		Remaining Amount Due	

Part B Payment Request Deadlines can be found at:

<http://dese.mo.gov/divspeced/Finance/documents/PaymentSchedule2012-13.pdf>



Part B Payment Requests

Payment Request Due Date

- ☐ Payment requests must be submitted by **11:59 P.M. on the first day of the month** or payment will not be processed until the next month.
- ☐ If the first day of the month falls on a weekend or a holiday, payment requests must still be submitted by the first of the month.
- ☐ LEAs should plan accordingly to submit payment requests early if necessary.

See Handout #5 - Payment Request Due Dates



Part B Payment Requests

Maximum Percentage of Approved Budget

- ❑ Part B funds may be requested each month up to the maximum percentage of your approved budget.
- ❑ Maximum percentage of approved budget that can be requested is based on grant award funds availability and our state budget allotments.



Part B Payment Requests

Expenditure Period End Date

- ❑ Expenditure Period End Date represents the date that is three (3) business days after the date funds are received. **By this date, all funds requested must be spent (or journal vouchers/entries made to re-code if expenditures were initially made with state or local funds).**
- ❑ This is a Federal Expenditure Requirement under Cash Management Improvement Act (CMIA).



Cash Management Improvement Act

- ❑ Cash Management Improvement Act (CMIA) requires **LEAs/Districts to demonstrate when receiving federal funds that they have either already spent the funds or will spend the funds within three business days of receipt of funds.**
- ❑ Payment requests may only include amounts **already expended** and/or amounts that **will be expended within three business days of receipt of funds.**
- ❑ Violating CMIA requires interest to be calculated and funds returned.



Re-coding Expenditures

LEAs that receive federal funds through the Early Childhood Special Education (ECSE) or High Need Fund (HNF) payments must ensure they are completing journal vouchers/entries for those funds within three (3) days of receipt of the funds, or that they will expend within three (3) days, to be in compliance with CMIA.



Part B Final Expenditure Report



Where Are Expenditures Reported?

- ❑ Expenditures are reported on the FER in the grant cycle for which they were obligated.
- For obligations made from FY12 budget application substantial approval date to June 30, 2012, report expenditures on FY12 FER (due September 30, 2012).



Part B Final Expenditure Report (FER)

2011-12 FER due September 30

- ☐ 2011-12 Actual Part B Expenditures
- ☐ Actual MOE 2011-12 (Current Year)
- ☐ Budgeted MOE 2012-13 (Next Year)

Note: MOE only includes expenditures from July 1 through June 30 each fiscal year



Request for Final Payment

The FER can be the request for Final Payment.

Any amount due will be paid in the next monthly school payment after approval of the FER.

Note: Beginning with the 2010-11 FER, there will be no Part B FER revisions allowed unless there is an audit/monitoring finding or an error in the ePeGs system that directly affects the FER.



Carryover Period

- ❑ If an LEA does not obligate and expend all of its grant funds by the end of the fiscal year in which they were allocated, it may obligate the remaining funds during a carryover period of one additional fiscal year.
- ▣ Carryover funds cannot be obligated until the LEA has a prior year FER approved and amends the current year budget application to obligate the carryover funds.
- ▣ Carryover funds that have not been obligated by June 30 of the following fiscal year will be forfeited by the LEA.



Can Funds be Re-obligated?

If an obligation occurs in one grant cycle (July 1 – June 30) but isn't invoiced during the FER reporting period (prior to September 30) of that grant cycle, the LEA can only re-obligate the expenditure if they have that amount in carryover funds. The expenditure must be re-obligated in the new grant cycle budget application.



Period of Availability - Example

FY12 Grant

FY12 Allocation	FY12 Budget Application Submit Date	Amount Obligated between 7/17/11 and 6/30/12	Amount Expended from 7/17/11 to 9/30/12	Amount Reported on FY12 FER (due 9/30/12)	FY12 Carry-Over Amount
\$150,000	7/17/11	\$140,000	\$130,000	\$130,000	\$20,000



Period of Availability–Example

FY12 Grant – Carryover Period

FY13 Allocation	FY13 Budget App Submit Date	Amount Available to Obligate between 7/5/12 and 6/30/13	FY12 FER Approved	FY12 Carryover Amount	FY13 Budget App Amended	Amount Available to Obligate between 10/8/12 and 6/30/13
\$140,000	7/5/12	\$140,000	10/3/12	\$20,000	10/8/12	\$160,000

Remember to amend the 2012-13 Part B budget once the 2011-12 FER is approved to refresh data:

- Proportionate Share (if applicable)
- 2011-12 Part B carryover (if applicable)



Example 1 – FY12 Grant

LEA signed a contract on May 15, 2012 for renovation work to the Special Education classroom, but the work on the classroom didn't begin until July 15, 2012. Because the obligation is made on the date the LEA made a binding written commitment to obtain the work (May 15, 2012), the LEA can report any invoices paid for the work done from July 15 to Sept. 30, 2012 on the FY12 FER.



Example 2 – FY12 Grant

Special Education teacher paid with federal funds taught classes in June and July, 2012. The work performed in June would be paid with FY12 grant funds and the expenditure reported on the FY12 FER. The work performed in July would be paid with either FY12 carryover funds (if sufficient) or FY13 grant funds and the expenditure reported on the FY13 FER.

- ❑ Remember – for personal services by an employee of the LEA, the obligation begins when the work is performed.



Schoolwide Pooling



Purpose of Schoolwide

The underlying purpose of the schoolwide approach is to enable schools with high numbers of at-risk children to integrate the services they provide to their children from Federal, State, and local resources.



Schoolwide Pool – Consolidating Funds

- ❑ Treat funds like a “single pool of funds”
- ❑ Lose individual program identity
- ❑ School has more flexibility
- ❑ Supports any activity of the schoolwide program without regard to which program contributed the specific funds used for a particular activity



Schoolwide Pool – Part B Requirements

Districts may use Part B IDEA (611) funds for any activities under its schoolwide program plan but must comply with all other requirements of Part B of the Individuals with Disabilities Education Act (IDEA) to the same extent as it would if it did NOT consolidate funds under Part B of the IDEA in the schoolwide program. This is for both fiscal and compliance related requirements.



Schoolwide Pool –

Part B Pooling Options

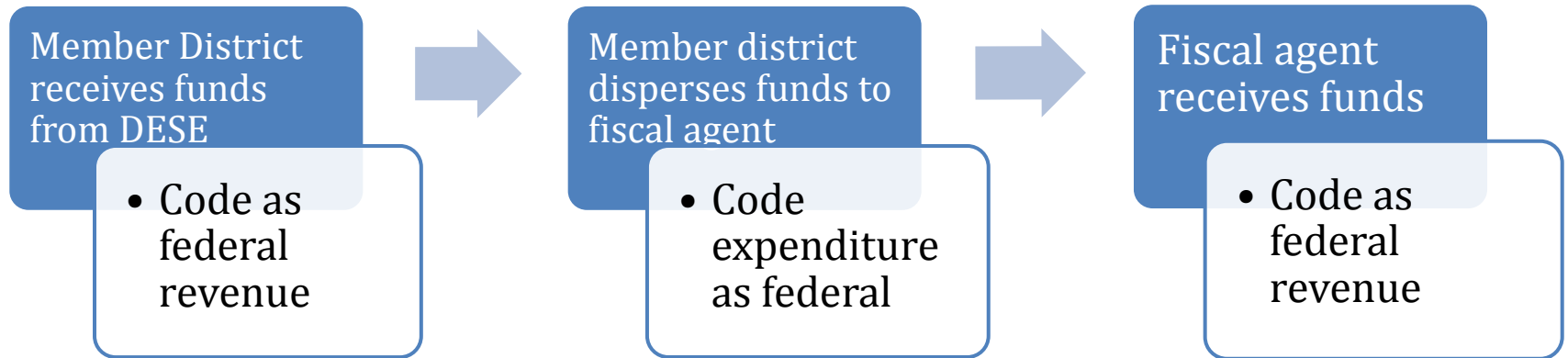
- ❑ Districts may pool a portion or the maximum allowable amount of their Part B IDEA allocation.
- ❑ Districts may pool a portion of their state/local funds for special education, or all of their state/local funds for special education.
- ❑ Districts may pool both Part B IDEA and state/local funds for special education.
- ❑ Districts may not consolidate their ECSE (619) funds into the schoolwide pool.



Cooperatives



K-12 Cooperatives



- ❑ Payments for expenditures must be based on expenditures incurred to date, or expenditures that will incur within three days of receipt of the funds (per the CMIA).
- ❑ Refunds to a fiscal agent or member district must follow the guidance in the Refund and Reimbursement policy located on the School Finance Topics and Procedures page. Refunds not expended within three days must be returned to DESE so as to not draw interest.

See Handout #7-Cooperative/Consortium Fiscal Guidance



ECSE Cooperatives

- ❑ Majority of the funds are State money and ECSE Cooperatives should not exchange federal funds.
- ❑ Fiscal agent of an ECSE Cooperative incurs all costs associated with the operation of the Coop until they receive reimbursement.
- ❑ Fiscal Agents must complete the ECSE Expenditure Report (due September 17 of every year) to request reimbursement from DESE.
- ❑ Fiscal Agents are not allowed to collect any fees from member districts for expenditures that are reimbursable by the State.
- ❑ If ECSE Coop decides to switch the fiscal agent to another district in the Coop, the original fiscal agent district would continue to receive payments the year after any closure/change in the fiscal agents since reimbursement is a year behind.
- ❑ If an ECSE Coop disbands/dissolves, any tangible equipment/supplies/materials purchased with ECSE funds will be kept with the fiscal agent that incurred the upfront cost of the item(s).

See Handout #8-ECSE Cooperative Guidance



Special Purpose Funds



Special Purpose Funds

Fund	Who For	Reimbursement Formula/Payment
High Need Fund (Application due November 30)	Any student with a disability, regardless of placement, whose educational costs exceed 3 times the Current Expenditure per ADA.	Educational Costs for Student - <u>3x Current Expenditure per ADA</u> = Reimbursement Amount
Public Placement Fund (Application due October 31)	IEP and non-IEP students placed into a non-domicile district by DFS, DYS, DMH or a Court.	Reimbursement Formula: Educational Costs - <u>Revenues</u> = Reimbursement Amount
Readers for the Blind (Application due November 30)	Provides assistance to school districts to employ a reader for a blind student.	Payment is limited to \$500 per student. May be prorated if more readers than funds available.

Local Tax Effort Billbacks (LTE)



Local Tax Effort (LTE)

Local tax effort (billback) is applicable when a district is educating a non-domicile student.

Domicile is where the parent(s)/legal guardian(s) reside.

Districts may bill the domicile district when educating non-domicile students, and may receive bills in the opposite situation.



Early Childhood Special Education



ECSE

Early Childhood Special Education (ECSE) provides 100% funding of approved costs for special education students ages 3, 4 and 5, but not yet kindergarten eligible.

ECSE Resources

<http://dese.mo.gov/divspeced/Finance/ecseindex.html>



Expenditure Guiding Questions

Is this a cost that has to occur for the ECSE program to exist?

The answer must be YES.

Is this the most cost effective way to provide this service/program?

The answer must be YES.

Is this an expenditure our district would have even if we did not have an ECSE program?

The answer must be NO.



ECSE Expenditure Report (ER)

- ❑ Due September 17
- ❑ All data (Educator Data, December 1 Child Count, ASBR) must be accurate and submitted on time in order for the data to pull correctly onto the ER
- ❑ See ECSE Expenditure Guide for step-by-step instructions



Expenditure Report (ER)



▼ User Applications

▼ Administrative and Financial Services

- Annual Report of the County Clerk to the State Board of Education
- Annual Secretary of the Board Report - Charter
- Annual Secretary of the Board Report - District
- School Finance Menu

▸ Career Education

▼ Cross-Divisional Systems

- ePeGS

▼ School Improvement

- Federal Grants Application
- Federal School Improvement Plan/Application
- Federal Schoolwide Commitment Form and Plan
- Federal Title I LEA Plan
- Gifted Application
- LEP - 2005-2006 for SY04-05
- LEP - 2006-2007 for SY05-06
- Nonpublic Registration Form

▼ Special Education

- Early Childhood
- Part B Application

▼ Report

- Report Menu
- Logon/Logoff



Email: webreplvafsit@dese.mo.gov

Current User: DESEPUBLIC

Fiscal Monitoring

Tiered Monitoring Process

<http://dese.mo.gov/ls/index.html>

Cash Management Plan

<http://dese.mo.gov/fas/CashManagementPlan.html>



Tiered Monitoring

□ Department-wide

▣ Purposes

- Reduce time in LEAs conducting on-site monitoring reviews
- Improve quality and efficiency of on-site reviews
- Increase the number of LEAs given some formal review
- Improve the quality of LEA/building compliance
- Establish processes to target compliance TA/training needs



Tiered Monitoring

- ❑ 3 Cohorts – various levels of monitoring
- ❑ IMACS will be used to collect documentation
- ❑ Required documentation may include:
 - ❑ Invoices/POs
 - ❑ A-87 forms
 - ❑ Inventory list
 - ❑ MOE calculation documentation
 - ❑ GL showing federal funds tracked separately



Tiered Monitoring

❑ Possible Risk Factors

- ▣ Amount of federal funds (large amounts = greater risk)
- ▣ A-133 audit findings
- ▣ Late MOSIS/Core Data Reports
- ▣ Financial Distress
- ▣ Administrator Changes/Other Issues Reported by Auditor or LEA
- ▣ Late FER
- ▣ Late Budget Application



Tiered Monitoring

Timeline

Task	2011-12	2012-13	2013-14	2014-15	2015-16
Desk Audit	Cohorts 1,2,3	Cohorts 1,2,3	Cohorts 1,2,3	Cohorts 1,2,3	Cohorts 1,2,3
Desk Monitoring		Cohort 2	Cohort 3	Cohort 1	Cohort 2
On-site /telephone		Cohort 1- 10% for On-site and 10% for telephone	Cohort 2- 10% for On-site and 10% for telephone	Cohort 3- 10% for On-site and 10% for telephone	Cohort 1- 10% for On-site and 10% for telephone
Clean-up			Cohort 1- 10%	Cohort 2- 10%	Cohort 3- 10%

Cash Management Plan Policy

- ❑ Department-wide
- ❑ Criteria
 - ▣ Fiscal Compliance
 - ▣ Possible Closure or Annexation
 - ▣ Accusations of Fraud or Abuse
 - ▣ Financially Distressed
 - ▣ Late Budget Submission
- ❑ Payment Request Supporting Documentation Form required for each payment request for each applicable grant



Top Monitoring Findings

- ❑ Federal expenditures not tracked separately
- ❑ MOE documentation
- ❑ No inventory/tracking of equipment
- ❑ No certification/logs for federally paid employees
- ❑ Obligations prior to budget applications
- ❑ CMIA / Cooperatives
- ❑ Capital Outlay Requirements



Helpful Resources



Resources

☐ General Federal Guidance

- EDGAR – Education Department General Administrative
- OMB Circulars

<http://dese.mo.gov/fas/GeneralFederalGuidance.html>

☐ DESE Accounting Manual (School Finance)

http://dese.mo.gov/divadm/finance/acct_manual/

☐ Individuals with Disabilities Education Act (IDEA) Regulations

<http://www2.ed.gov/legislation/FedRegister/finrule/2006-3/081406a.pdf>

☐ MO State Plan for Special Education

<http://dese.mo.gov/se/stateplan/index.html>



FY13 Due Dates

Title	Services Year	Due Date
FY13 Part B Budget Application	2012-13	July 1, 2012
FY12 ECSE Expenditure Report	2011-12	Sept. 17, 2012
FY12 Part B FER	2011-12	Sept. 30, 2012
Coordinated Early Intervening Services (CEIS) Report	2011-12	Sept. 30, 2012
Public Placement Fund Application	2011-12	Oct. 31, 2012
High Need Fund Application	2011-12	Nov. 30, 2012
Readers for the Blind Application	2012-13	Nov. 30, 2012
Request to Release Prop Share Carryover Funds	2012-13	March 1, 2013